

1301 Central Street
Evanston, IL 60201
www.northshore.org

(847) 570-5065
(847) 570-5240 Fax

September 27th, 2017

Ms. Courtney Avery
Illinois Health Facilities and Services Review Board
525 West Jefferson Street-2nd Floor
Springfield, IL 62761

RECEIVED

SEP 28 2017

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Permit: #15-043 – Lake Forest Medical Clinics Bldg. (Lake Forest MOB)
Project: Renovate and expand an existing building for use as a Medical Clinics building.
(Lab only Clinical Services)
Permit Holder: NorthShore University HealthSystem

Dear Ms. Avery:

This is a report on Project completion and final realized cost for the above referenced project. This project was approved by the State Board on November 18, 2015 and involves a major modernization project at Northshore University Health System – Lake Forest MOB. Included with this letter is the detailed itemization of expenditures by project cost component and certification of the expenditures and sources of funds. The approved permit amount was \$ 13,644,557.00. The final realized cost of this project is \$12,086,120.63 which is \$1,558,436.37 or 11% below the approved permit amount. These costs have been audited and a letter of audit has been attached.

Pursuant to sections 1130.770 of the Illinois Administrative Code, this letter certifies that the final realized cost referenced above is the total cost required to complete the project and that there are no additional or associated costs or capital expenditures related to the project which will be submitted for reimbursement under Title XVIII or XIX.

The Statement of Compliance with all terms of the permit is shown below and the required AIA Forms G702 is attached.

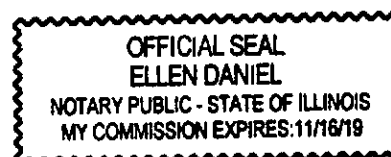
If we can provide you any further information at this time, please contact me via email at blewin@northshore.org or 847-570-5089.

Sincerely,



Brent Lewin
Senior Director, Finance
NorthShore University HealthSystem

State of Illinois
County of Cook
Signed before me on Sept. 27th, 2017
by Brent Lewin. Ellen Daniel, Notary



September 26, 2017

Interoffice Correspondence

To: Brent Lewin, Senior Director, Finance

From: Lynn Banks, Senior Internal Auditor, Internal Audit

Subject: Certificate of Need Close-Out – Project #15-043: NorthShore University HealthSystem – Lake Forest Medical Clinics Building

SCOPE:

The Certificate of Need (CON) close out review for the NorthShore University HealthSystem – Lake Forest Medical Clinics Building Project was conducted as part of the compliance component of the Internal Audit Department's annual audit work plan.

The objectives of this review were:

- To determine if charges to be reported to the Illinois Health Facilities Services Review Board are substantiated by appropriate supporting documentation;
- To determine if expenses were properly recorded for the project and CON account category;
- To determine if expenses were properly approved;
- To determine the mathematical accuracy of invoices;
- To determine if applicable construction progress payments included accurate application for payment documents (i.e., previous payment calculations), were properly notarized, and included lien waivers.

In order to accomplish our objectives, we:

- Reviewed, on a test basis, expenditures identified on the project general ledger report to ensure existence of appropriate supporting documentation;
- Determined that the items sampled were properly included on the appropriate usage line in the Draft Close Out report;
- Confirmed that reconciling items were appropriately and logically supported.

CONCLUSION:

In our opinion, based on our review of \$11,033,122.37 (91%) of payments made for the Lake Forest Medical Clinics Building Project, we confirm that the \$12,086,120.63 in CON charges to be reported to the Illinois Health Facilities Services Review Board by the September 28, 2017 required submission date, were substantiated by comprehensive and appropriate supporting documentation. Our review did not identify any material inaccuracies in expenses incurred, paid and recorded.

c: Mark Alexander, AVP, Corporate Compliance & Internal Audit
Jeffery Bieschat, VP and Controller, Finance
Harry L. Jones, Jr., Chief Compliance Officer
Jessica Morris, Manager, Finance



**Integrated
Facilities
Solutions, Inc.**

Project Number: 15-043
Project Title: Renovate and expand an existing building for use as a Medical Clinics building. (Lat
Subject: Final CON Progress Report
Permit Holder: NorthShore University HealthSystem
Date: September 30, 2017

	Projected	Total Costs Incurred as of: 9/30/2017	Available Balance as of 9/30/2017	Estimated Costs to Completion	Variance From Approved
Preplanning Costs	\$ 47,500.00	\$ 47,425.00	\$ 75.00		\$ 75.00
Site Survey & Soil Investigation	\$ 3,000.00	\$ 2,407.50	\$ 592.50		\$ 592.50
Site Preparation	\$ 202,000.00	\$ 185,515.97	\$ 16,484.03		\$ 16,484.03
Off-site Work	\$ 485,000.00	\$ 485,000.00	\$ -		\$ -
New Construction Contracts	\$ 918,000.00	\$ 918,000.00	\$ -		\$ -
Modernization Contracts	\$ 2,854,247.00	\$ 3,382,286.53	\$ (528,039.53)		\$ (528,039.53)
Contingencies	\$ 206,810.00		\$ 206,810.00		\$ 206,810.00
Replacement of Air Handling Systems	\$ 700,000.00	\$ 700,000.00	\$ -		\$ -
Architectural/Engineering Fees	\$ 281,800.00	\$ 302,595.00	\$ (20,795.00)		\$ (20,795.00)
Consulting and Other Fees	\$ 783,100.00	\$ 514,938.64	\$ 268,161.36		\$ 268,161.36
Movable or Other Equipment	\$ 2,163,100.00	\$ 527,951.99	\$ 1,635,148.01		\$ 1,635,148.01
Other Costs to be Capitalized	\$ -		\$ -		\$ -
Land Acquisition	\$ 5,000,000.00	\$ 5,020,000.00	\$ (20,000.00)		\$ (20,000.00)
Total	\$ 13,644,557.00	\$ 12,086,120.63	\$ 1,558,436.37		\$ 1,558,436.37

Cash and Securities \$ 13,644,557.00
Pledges
Gifts and Bequests
Bond Issues (project related)
Mortgages
Leases (fair market value)
Governmental Appropriations
Grants
Other Funds and Sources
TOTAL FUNDS \$ 13,644,557.00

APPLICATION AND CERTIFICATE FOR PAYMENT

PAGE 1 OF 4 PAGES

TO OWNER: NORTHSORE UNIVERSITY HEALTH SY PROJECT: Northshore Univ Health(Lake Forest MOB)

1301 CENTRAL AVE
EVANSTON, IL
60201 UNITED STATES

915 S. WAUKEGAN RD.
LAKE FOREST, IL
UNITED STATES

AIA Document G702

FROM CONTRACTOR: Bulley & Andrews LLC
1755 W. Armitage Avenue
Chicago, IL, 60622 USA

ARCHITECT:

APPLICATION NO.:8
PERIOD TO:31-DEC-16
PROJECT NOS.:115195
INVOICE NO.201600566

Distribution to:
☐ OWNER
☐ ARCHITECT
☐ CONTRACTOR

CONTRACT FOR: Northshore Univ. Health(Lake Forest MOB)

CONTRACT DATE:02-FEB-16

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation sheet is attached.

1. ORIGINAL CONTRACT SUM	\$	5,278,609.00
2. Net change by change orders	\$	348,357.00
3. CONTRACT SUM TO DATE (Line1 +/- 2)	\$	5,626,966.00
4. TOTAL COMPLETED & STORED TO DATE	\$	5,626,966.00
(Column G on G703)		
5. RETAINAGE:		
Total retainage Column I of G703)	\$	0.00
6. TOTAL EARNED LESS RETAINAGE	\$	5,626,966.00
(Line 4 less Line 5 Total)		
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT		
(Line 6 from prior Certificate)	\$	4,651,675.50
8. CURRENT PAYMENT DUE	\$	975,290.50
9. BALANCE TO FINISH, INCLUDING RETAINAGE .		
(Line 3 less Line 6)	\$	0.00

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Order approved in previous months by Owner		186,713.00	0.00
APPROVED THIS MONTH			
Number	Date Approved		
OCO004	23-NOV-2016	161,644.00	
CURRENT TOTAL		161,644.00	0.00
Net Change by Change Orders			348,357.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Contractor: Bulley & Andrews LLC

By: Bulley Date: 12/31/2016

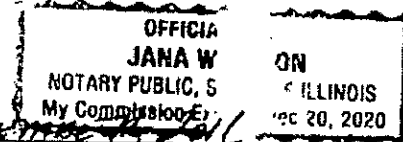
State of: ILLINOIS

County of: COOK

Subscribed and sworn to before me this 31st day of December

Notary Public: Jana W. Williams

My Commission expires: 12-20-2020



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of Work is in accordance with the Contract Documents, and the Contractor is entitled to the payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: 975,290.50

(Attach explanation if amount certified differs from the amount applied for. Initial figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

MICHAEL L. STEIN
061-009257

ARCHITECT By: Michael L. Stein Date: 12/31/17

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.